

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 24 – HB 234

February 20, 2015

SUMMARY OF BILL: Exempts climbing walls from registration and regulation as an amusement device with the Department of Labor and Workforce Development (DLWD).

ESTIMATED FISCAL IMPACT:

**Forgone State Revenue –
Exceeds \$7,400/Department of Labor and Workforce Development**

Assumptions:

- DLWD confirms that rock climbing walls are not currently permitted or inspected as amusement devices, but the department is currently taking steps to begin such permitting and inspecting under current law.
- DLWD reports 16 rock climbing walls are currently in operation.
- Given DLWD does not currently permit or inspect rock climbing walls as amusement devices; there may be an additional unknown number of businesses operating rock climbing walls. It is estimated that at least five additional rock climbing walls are in operation. Therefore, a minimum of 21 (16 + 5) rock climbing walls in Tennessee.
- DLWD reports future fees assessed on rock climbing wall businesses will be as follows if current law is unchanged; the amusement device fee will be \$200 annually and a permit application fee will be \$150 annually.
- Given the state does not currently collect any permit or inspection fee revenue, and the provisions of this bill will prevent the collection of such revenue in the future; the fiscal impact for the bill is forgone state revenue. Forgone state revenue is estimated to exceed \$7,350 [(\$200 x 21) + (\$150 x 21)] per year.

IMPACT TO COMMERCE:

Business Expenditures – Cost Avoidance – Exceeds \$7,400

Assumption:

- Enactment of this bill will allow businesses that operate rock climbing walls to avoid expenditures that would be incurred in the future under current law. As a result, the cost

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avoidance of business expenditures is estimated to exceed \$7,350 [(\$200 x 21) + (\$150 x 21)] per year.

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

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